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On ARBITRATION in the HOSIERY TRADES of the MIDLAND COUNTIES.

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[Read before Section F, British Association, Dundee, September, 1867.]

THE establishment of a Board of Arbitration and Conciliation in connection with the hosiery manufacture of the midland counties, has proved so beneficial in its operation on the relations between employers and workmen in this important branch of national industry, that a review of the circumstances under which it was originated, and a summary of the results by which it has been attended, cannot but prove interesting to those persons who watch with some degree of solicitude for any means whereby the difficulties which beset the associations of capital and labour may be fully and satisfactorily solved. For if the principles of arbitration and conciliation have been successfully applied to the prevention of disputes and the settlement of differences in a manufacture which includes so many varieties of goods, from the coarse cotton fabrics which clothe the lowliest sons of toil, to the fine and costly articles which are purchased exclusively by the high-born and the wealthy, the rate of wages varying with the skill of the workmen, then it must be obvious that the extension of similar boards to all other fields of industry, is simply a question to be determined by the employers and workmen themselves; for difficulty of adjustment can no longer be pleaded as any excuse for deferring the adoption of the principle of arbitration in the settlement of trade disputes, after the last six years' experience in the hosiery manufacture of the midland counties.

The history of the hosiery manufacture during the last half century may be described as one continued struggle on the part of the operatives to improve their condition. In some one or other branch of the trade, in the course of this long period, the disputes were more or less protracted, according to the demand which existed for the particular class of goods, or the ability of the workmen employed in the other departments of the manufacture to assist them. Thus there have been an ever-recurring series of strikes on the part of the operatives, or a refusal to pay the price required, and therefore a withholding of the material on the part of the employers; so that the workmen in employment have been continually called upon to support their fellow-operatives who had either turned out for an advance of wages, or for the purpose of

resisting a reduction in the rate of payment. As far back as 1819, attempts were made to draw up a statement of prices for each description of work, and in that year a "schedule of prices" was agreed to by the manufacturers and the operatives, but it gradually fell through from a want of mutual co-operation. Since that period, many attempts have been made to establish a statement of prices in each branch, but, up to the time when the board of arbitration was formed, all these endeavours had proved abortive, and no permanent benefit accrued either to the manufacturers or to the workmen.

The present paper refers to the hand-loom framework knitters scattered over the counties of Nottingham, Derby, and the south side of Leicester up to Loughborough. It has been calculated that there are 24,000 frames, the men employed in which supply an equal number of women and children with work, either in "seaming," that is connecting the goods made, or in winding the yarns required for them. These "hands," as they are technically termed in the trade, obtain the material—merino, cotton, or silk yarns—from the warehouses of the manufacturers, and make it up according to order, either in their own homes, or in rooms in the various towns and villages in which, for convenience, a number of frames are placed, ranging from four to twenty. These stocking frames, for the most part, are the property of the manufacturer, but they are sometimes rented by him, and in either case, a small sum is deducted from the earnings of each operative as rent. To facilitate business transactions, as well as to economise the time and labour of his clerks and warehousemen, the manufacturer frequently entrusts to one man, who is in consequence denominated a middleman, the cotton or silk required by all the hands employed in one of these rooms; and when the work is completed, he takes it to the warehouse, and draws the sum due to the whole of the hands, receiving a slight percentage for his trouble. Thus the difficulties which surrounded the project of a board of arbitration and conciliation, in its conception and realisation, may be partially estimated by keeping in view these circumstances: the variety of goods manufactured; the different prices paid for each article, according to the quality of the material and the extra work required to be put into it; the obstacles to communicating with workmen so scattered as are the framework knitters of the midland counties; and the opposition which had to be encountered from those who were interested in the maintenance of a state of things which enabled them to carry on a system of truck with the hands for whom they were entrusted with the material supplied by the manufacturer, or to exact more from them as allowance for taking in the work than they were entitled to receive.

The board of arbitration was formed in 1860, the first formal meeting of manufacturers and workmen having been held on the 3rd of December, and, as may be supposed from the preceding observations, its early history was beset with difficulties which required no ordinary patience and prudence to grapple with and overcome. The immediate cause of its formation was a strike for an advance of wages by the hands employed in one branch of the manufacture, the operatives at work in the other departments contributing a certain sum per loom towards their support. In this emergency two courses were open to the manufacturers; they could either decline to supply any yarn to the whole body of their workmen, and in this way cut off the supplies devoted to the support of the hands on strike, which would have been, to all intents and purposes, a lockout; or they might give way to the combination of the operatives, and pay the increase of wages demanded of them, although the state of this particular branch of the trade would not, at the time, have justified them in acceding to it. This was a memorable crisis in the history of the hosiery manufacture, and it is undoubtedly one which may be looked back upon with feelings of satisfaction by all those persons who, during this notable struggle, conceived the idea of settling the dispute by conciliatory means, and ultimately succeeded in establishing a deliberative body for the determination of all future differences. Before resorting to a lockout of the hands employed in the branches still at work, the manufacturers sought a conference with the workmen, and, as is almost invariably the case, when two bodies of men whose interests are really identical come into contact with each other, the deliberations assumed a friendly character, a spirit of mutual forbearance was manifested on both sides, and the dispute was settled in an amicable manner. It was from this interview, and under these circumstances, that the board of arbitration and conciliation was first organised, although the minds of both manufacturers and workmen had been previously prepared, by the bitter experience of past years, for this plan of settling trade disputes. From March, 1862, to January, 1865, however, although the board was in existence, it was not deemed necessary to hold any formal general meetings, because the trade was in such a state of prostration that prices went down to their lowest level; and it is in busy seasons, when the demand is good, that all the influence of the board is required to adjust prices and prevent disputes. Since the latter date, however, the board has met whenever necessary; statements of prices have been drawn up and agreed to both by masters and workmen; differences have been settled as they have arisen, and, in fact, the rate of wages has been virtually fixed by the board, without any dissension whatever on the part of the workmen. The difficulties

with which the board has had to contend have not been caused by the operatives, but for the most part by the small manufacturers.

The board is composed of an equal number of manufacturers and workmen, the recognised basis of union being a mutual agreement* to abide by its decisions. The former are nominated at a meeting of employers, and the latter are elected by the workmen in the branch which each represents. At the present time, the board consists of nine manufacturers and nine workmen. Its meetings are held once a-quarter, unless the business is of such a nature as to require the members to assemble more frequently. It has often been necessary for them to meet monthly and even fortnightly, but this has, no doubt, arisen to a certain extent from the pressure of circumstances incidental to the early stages of all organisations. The branches of manufacture represented are the shirts and drawers, rib-tops, three-frame half hose, gloves, wrought socks and half hose, rotary and circular hose, straight hose, made principally at Mansfield, and the three-frame half hose and lace ankle stockings, made chiefly at Sutton-in-Ashfield. In the rules provision is made for the equitable representation of manufacturers and operatives, so that if the number of delegates from the hands is augmented, the employers would be increased in a like proportion. Thus the equilibrium of interests is fairly maintained. All questions affecting the remuneration of labour in these branches are settled by the board—not by putting an end to disputes when they have arisen and created angry feelings between the employers and their workmen, but by preventing any difference that may have occurred from assuming such a character as to seriously interrupt the harmony which prevails amongst its members. Thus differences in the rate of payment for work which in so many trades lead to strikes and lockouts, with all the accompanying estrangement and bitterness of feeling, in the hosiery manufacture of the midland counties are checked in their incipient stages by mutual concession and discussion, and prevented breaking out into an open rupture. One important rule of the board is, that no advance or reduction in the rate of payment for work can take place without a month's notice being given. By this regulation, every alteration proposed is fully considered before being decided on. It is a significant fact, however, and at the same time a powerful argument in favour of this mutual interchange of thought and expression of views between the manufacturers and the representatives of the workmen, that the decisions of the board are generally arrived at without any vote being taken. Unanimity of opinion is obtained by friendly deliberation, and a mutual desire on the part of all to maintain the harmonious action of the board; and, in fact, the questions brought before the board are invariably decided without any vote being

taken. Indeed, there has not been a vote to determine any difference for the last two years. So long as the workmen themselves and a majority of the larger employers act cordially together, the decisions of the board are certain to be respected; for any smaller manufacturer who refuses to abide by the regulations laid down, must of course be beaten in a contest with the workmen who, supported by the influential portion of the trade, would either withdraw gradually, or in a body, from his employment.

The action of the board may be illustrated by its decisions in one or two applications recently made by the workmen. At a meeting held on the 15th of July last, a deputation from the workmen employed in what is technically termed the "old wrought hose" branch, appeared before the board and requested an advance in the rate of payment for the class of goods made by them, which, they stated, were paid on a lower scale than any similar articles in the trade. As the price of provisions had risen considerably, they urged that there was the greater need for their request being complied with. Now there was every disposition on the part of the board to concede this advance, because the request was based on a statement of prices which the manufacturers could examine for themselves. But it was at the same time felt by the board that in the present state of trade, and especially with a diminution in the demand for the description of goods referred to, any attempt to enforce an advance in the rate of wages would be useless, and result, probably, in a still further curtailment of production; and, therefore, whilst sympathising with the workmen, and acknowledging their request to be reasonable, its members informed the deputation that it would be inexpedient, even in the interest of the operatives themselves, to comply with the wish expressed; but that if the prospect of trade brightened towards October and November, they would reconsider the matter, and endeavour to meet the application. The deputation withdrew, satisfied with the assurance that the request would be impartially dealt with whenever a more prosperous time should arrive. On the same day another application was made by workmen employed in the neighbourhood of Loughborough, respecting a difference in the prices paid for "heel-ing" stockings; the rate per dozen varying from $\frac{1}{2}d.$ to $2d.$ in Nottingham, Mansfield, Loughborough, and Belper. They asked the board to sanction a uniform rate of payment. This request was followed by a discussion, the result being the adoption of a new scale of prices for the whole district; the secretary appointed by the workmen being authorised to get the statement printed and put into circulation, so that all the manufacturers might have a copy at an early date. These illustrations of the board's action might be multiplied indefinitely, but they are sufficient to show the hold

which it has obtained on the minds of the workmen as a means of remedying any grievances which they believe to exist, and to prove the obvious advantages to the manufacturer in securing something like a uniform rate of payment for labour. Another important feature in the constitution of the board, is the nomination of a committee of inquiry, composed of four members, to whom is referred questions regarding which the board is either not sufficiently informed, or which require the opinion of manufacturers who are more particularly affected by them, before proceeding to legislate respecting them. Within a year and a-half, fifteen questions of this character, formally brought before the board, have been referred to the committee of inquiry, or to other members of the board perhaps immediately connected with the workmen whose interests would be involved in any decision to which the board might come; whilst four or five times as many complaints have been investigated, and amicably adjusted, without being entered on the minutes. Thus a refusal by any manufacturer to pay the prices fixed in a statement drawn up under the sanction of the board, or a variation in the making of any article so as to avoid infringing the statement, whilst practically violating it, are left to be dealt with by the committee of inquiry, or by some member or members of the board specially nominated for this purpose, and the result is generally a satisfactory adjustment of the matter in dispute. Should there be a determination not to pay the prices allowed in the statement on the part of any manufacturer, then the pressure of the board, which is, in fact, the representative body of both employers and workmen, is brought to bear on him, and the operatives are directed not to take out material for work except on condition that the authorised price be paid. This is virtually a strike by the hands of an individual employer or firm; but it is essentially different to all other strikes in this important feature, that it is approved by a deliberative body, and supported by the combined influence of both masters and workmen. Happily, however, such instances of opposition to the decisions of the board are very rare indeed; and it is a relief to turn from them altogether, to a more pleasing instance of the power of mutual discussion and interchange of thought in the adjustment of trade differences. In July last, the workmen in one branch of the manufacture, who were not then represented on the board, held several meetings, with the view of framing a scale of prices without consulting the employers. Now it was obvious that such a proceeding, if allowed to go on, could only result in a protracted struggle in that department of the trade; and it was desirable, therefore, in the interests of all parties, to prevent the dispute assuming such a deplorable aspect. A small committee was accordingly appointed by the board

to meet delegates from the workmen employed in this branch. They assembled in the course of a few days, the matters in dispute were discussed, and ultimately the differences were settled to the satisfaction of the manufacturers and workmen; but, in order to prevent future disagreement, a statement of prices was ordered to be drawn up and submitted to the board of arbitration for approval. From these particulars it will be seen that three-fourths of the questions brought before the board are referred to the committee of inquiry, or to some special committee, and arranged without adjudication by the board.

It will not be without interest to specify some of the results which have followed the board as an organisation for the settlement, or rather for the prevention, of disputes in the hosiery trade. Its action has been in the highest degree pacific and beneficial—pacific as regards the growth and cultivation of mutual feelings of respect and confidence between employers and workmen—and beneficial in its bearing on the condition of the workmen themselves, by securing to them the highest rate of remuneration for their labour that can be obtained with advantage to the trade, without those struggles for increased wages which were formerly so frequently made at the sacrifice of many weeks' earnings. In all branches of the hosiery manufacture, the truck system, which more or less prevailed at the time the board was organised, and which repeated acts of parliament had failed entirely to suppress, has been completely rooted up by the influence of the board, and is no longer carried on to any perceptible extent. Capital and labour are brought into contact, and the representatives of each deliberate together on the best means of securing mutual prosperity. Confidence in the workmen is created, whilst the workmen themselves learn to respect the motives, and interpret aright the conduct of those for whom they labour.

One of the objections urged against boards of arbitration and conciliation, is the difficulty, if trammelled by an organisation, of adjusting the value of labour to the fluctuations of trade. It is often argued, in opposition to the establishment of these boards, that fluctuations in trade will naturally bring about a fall in prices, and that as the demand for labour relaxes, its rate of remuneration must in that degree be proportionately diminished. This argument is no doubt a sound one in itself, but it has no legitimate bearing adverse to the action of boards of arbitration and conciliation; for as no board can regulate the demand and supply of labour, so no board can permanently fix the rate of wages, which, of course, will vary with the demand for goods and the supply of labour. But it is in these periods of transition and alternation in trade that boards of arbitration and conciliation render the most essential services

for as a month's notice is required to be given in every application to the board either for an advance or alteration in any statement of prices, its members have an opportunity of advising with the workmen on the most desirable steps to be taken, and of pointing out the relative bearings of an advance in prices, or a diminution in the rate of production. Thus the conciliatory influence of the board is brought into full play, and the advice and decision of its members are carefully weighed and followed, even by those who at the time may perhaps disapprove of the course adopted. This has frequently been the case in the hosiery manufacture, and in this way difficulties have been overcome by the conciliatory action of the board, which otherwise might have involved one, or even all, the branches of the trade in a disastrous struggle.

The advantages resulting from the action of the board, as indicated in the previous observations, may be summed up in a few sentences. As relates to the workmen themselves, there is, first, a cessation of all ill-treatment and acts of intimidation by their fellow-workmen; second, there is the saving secured to the members by the abolition of the truck system, and regularity in the payment of wages; third, there is the saving effected in their contributions to the union, which, in itself, is equal to an advance of wages, for the payment is reduced from 6*d.* to 1*s.* 6*d.* per week, to 1*s.* per annum; fourth, there are no stoppages of labour when the demand for manufactures is active; and fifth, there is a constant process of enlightenment on commercial and economical questions going on by means of discussion, and the frequent exhibition of articles manufactured by foreign nations which are competing with us in the world's markets. As regards the advantages to the employers, they are equally obvious. First, all contracts may be taken with confidence, because the delivery of the goods can be safely guaranteed, and thus orders are prevented being sent to other countries; second, machinery and capital are employed to the fullest advantage during periods of prosperity; third, there is uniformity in the rates of labour, so that any unscrupulous and oppressive employer is prevented from underselling a more liberal and humane manufacturer, and in this way bringing down wages to the lowest level compatible with the bare subsistence of the workmen; and fourth, there has been a discontinuance of those abusive attacks on employers which were formerly so frequent, not one having been published for more than seven years.

The influence exercised on other trades in the town and surrounding districts has been most important and salutary. In the lace manufacture of Nottingham, in which strikes and lockouts have proved so detrimental, a board is now being organised, and will probably be at work in the course of a month. In Leicester a

board has already been established for the settlement of disputes in the hosiery trade; and in Sheffield, a chamber of industry, on similar principles, is about to be founded, for the adjustment and prevention of disputes in the trades of that town.

It would not be right to conclude this paper without mentioning the persevering and devoted services which have been rendered in this cause by Mr. A. J. Mundella, a partner in one of the largest manufacturing establishments in Nottingham. It was at his suggestion, in the first instance, that the board was organised; and it has been mainly through his exertions that it has proved so successful, and been the medium of conferring so much good on the community.
